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Well, He Survived

The reassuring part was not what Reagan said but how he said it

The buildup was intense, the suspense high. After four months of hiding in the White House from the storm of questions raised by Iranscam, Ronald Reagan was at last ready to brave the inquisitorial rigor of a full-scale news conference. As the hour drew close, one TV commentator likened the atmosphere to the tension before a Super Bowl kickoff. Then the President strode into the East Room of the White House and put on the kind of performance that is common enough in a real Super Bowl but quite rare for Reagan. He triumphed, as Republican Senator Alan

Simpson of Wyoming approvingly put it, by being "dull."

Compared with his last news conference, this was an achievement of sorts. In that disastrous Nov. 19 session, the President appeared confused and contradictory and gave some answers that were promptly proved inaccurate. Nothing of that sort happened last week. Reagan came to the Thursday session extensively briefed; to easily foreseen questions, he replied with well-rehearsed answers.

As theater it was an effective show, calculated to convey the impression of a President physically and mentally recovered

from his Iranscam doldrums and back in charge. But the substance was something else: predictable, uninformative and at times somewhat disturbing. The President said little that went beyond statements he had already issued in other forums. Again and again he repeated his standard defenses: he knew nothing about the diversion of Iranian arms-sales profits to the *contras*, and not much more about the millions his Government had been raising from foreign sources and private American donors for the *contras*. Yes, he had met with some of the donors in the White House and thanked them for their efforts, said Reagan, but he had no idea they had been buying guns. What, then? "Spot ads on television" advocating resumption of open, fully legal aid by Congress to the Nicaraguan rebels, he said.

Reagan, by his own account, was equally ill informed about how the weapons sales to Iran had "degenerated" (his word) into an arms-for-hostages exchange. Not "until I read the Tower commission report," issued Feb. 26, did he find "that the strategy talks had disappeared completely and . . . the conversation was totally arms for hostages." If so, he must have been one of the last people in the country to come to that realization.

Would he now admit that the arms sales, whatever the original motive, were a mistake? "I would not go down that same road again," said Reagan, the first time he had made such an explicit statement. But he quickly added that "I thought [the initiative] was right in the beginning" and even insisted once again that the arms deals might have succeeded in getting more hostages released if the arms-sales story had not "leaked."

Reagan's questioners came into the East Room still buzzing about a sharp blast the day before from the usually mild-mannered Senator Simpson. He snarled that reporters shouting questions at Reagan during a picture-taking session were doing a "sadistic little disservice to your country" by badgering the President about Iranscam. "You'd like to stick it in his gazoo," Simpson charged.

Whether or not they were cowed by that attack, the journalists mostly posed rather tame, or lame, questions Thursday night. One of the few queries with an edge to it came from Chris Wallace of NBC, who asked why the President on Nov. 19 had denied that Israel was involved in the arms sales to Iran "when you knew that was not true." Reagan replied it was "just a misstatement that I didn't realize that I had made." Further, said the President, immediately after the November press conference, "when I finished bumping my head, I said [to aides], 'Quick! Write down a correction of this.'" In fact, Reagan had made the assertion four times at that press conference, and the correction was ordered by Donald Regan, then chief of staff; the President was told about it while it was being drafted.

By the time last week's formal session ended, Reagan was feeling confident enough to linger in the corridor and answer a few additional questions shouted by journalists who crowded around him. Referring to former National Security Adviser John Poindexter and Marine Lieut. Colonel Oliver North, the President said, "They just didn't tell me what was going on." Asked if Vice President George Bush, who has said he had "certain reservations" about the arms sales to Iran, had ever indicated opposition, Reagan replied flatly, "No." (The following day, Bush and White House Spokesman Marlin Fitzwater explained that the Vice President's reservations applied only to the "process," not the "policy.") Then, at last, Reagan walked away—mission accomplished, in the White House view.

That mission was not very lofty: it was simply to prove that he could handle himself competently for half an hour. Reagan, who has held fewer news conferences a year than any President of recent times, is unlikely to schedule another for quite a

while, and aides hope there will be no clamor for him to do so. Indeed, they think public interest in Iranscam is waning sharply, and there are some indications that they may be right. Despite the buildup for last week's news conference, five CBS stations in Florida declined to show it. They preferred to televise the conclusion of a Florida-Syracuse college basketball game.

Interest might revive, however, when the congressional investigations of the Iran-*contra* affair begin turning up some

new revelations. Sources told TIME that investigators armed with "dozens" of subpoenas will swarm into the Miami area this week to examine records of banks and other businesses that supposedly funneled money and cargo to the *contras*. The investigators hope to learn the dates and extent of scores of transactions arranged by North, retired Air Force Major General Richard Secord and others, and perhaps finally show whether a network organized by North supplied military equipment to the Nicaraguan rebels at a time when such assistance was forbidden by Congress.

Meanwhile, the Senate last week voted to begin contempt proceedings that could send Secord to prison if he continues his refusal to disclose Swiss and Panamanian bank records that might also provide clues to where the missing millions went and how much of it the *contras* got. Secord has invoked the Fifth Amendment to avoid testifying, but the Senate contends that the protection against self-incrimination does not apply to bank records. Predicted New Hampshire Republican Warren Rudman, vice chairman of the Senate select committee investigating Iranscam: "We will have determined the money trail before [public] hearings start."

That, under terms of an agreement reached last week between the Senators and their counterparts on a House select committee, will be May 5. The two committees will merge their staffs and conduct joint televised hearings that Hawaii Democrat Daniel Inouye, chairman of the Senate group, hopes to wind up by September. The committees also negotiated a truce of sorts with Independent Counsel Lawrence Walsh that will enable them at long last to hear from the two key figures in the whole affair: North and his onetime boss Poindexter.

The deal: both officials will be given limited immunity from prosecution, but will not be called to testify publicly before June 15; Poindexter will go first. There are indications that Poindexter is at last willing to talk, although he again invoked the Fifth Amendment when called last week before a House subcommittee investigating com-

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puter-security policy, an issue not directly related to Iranscam. Under the type of immunity that will be granted, none of the testimony the two men give the committees can be used against them; nonetheless, Walsh could ask a grand jury to indict on the basis of evidence he gathers before the committees begin their questioning.

Well before the hearings begin, additional revelations are pouring out. Three intriguing stories surfaced last week:

► Robert McFarlane, who was National Security Adviser when the

Iran arms sales began, wrote three letters to members of the House and Senate intelligence committees and one to his lawyer, Leonard Garment, in early February. He sealed all four in a packet addressed to Garment on Feb. 9, and sometime that night swallowed 25 to 30 Valium pills; he was rushed to a hospital but has since recovered and been released. The letters to lawmakers are now in the custody of the Iranscam committees. Sources say they revealed one bit of information McFarlane had left out of earlier testimony: in May or June 1984, Prince Bandar bin Sultan, the Saudi Arabian Ambassador to Washington, approached him and volunteered contributions of \$1 million a month to the *contras*. Those contributions were

increased to \$2 million a month after Saudi King Fahd visited President Reagan in February 1985. The White House has denied that Reagan asked Fahd for money, and the Saudis insist that no Saudi money went to the *contras*. But congressional investigators have turned up bank records in the Cayman Islands that seem to substantiate McFarlane's story.

At the time the contributions began, it was not illegal for the U.S. to solicit money for the *contras*. Why, then, did McFarlane take pains to write about the contributions when he was on the point of taking his own life? Says Garment: "Bud wanted to make complete disclosure. He wanted to clear the air." A source who has seen the letters adds that McFarlane "felt he may have created the atmosphere" that prompted North and others to solicit funds for the *contras* that were at best legally dubious. In any case, the letters make clear McFarlane's despair. Says one source: "Bud was sitting down at the typewriter and blaming everything on himself. He said he was responsible in the beginning, and when the thing got out of hand, he found it impossible to stop."

► Retired Army Major General John Singlaub, a fund raiser for the *contras*, threw some light on the origin of the idea of diverting Iranian arms-sales profits to the Nicaraguan rebels. In an interview with the *Washington Post*, Singlaub said he had suggested to two countries—identified by the paper as Taiwan and South

Korea—that they pay a markup for weapons they were buying (such as torpedoes that Taiwan was purchasing from Israel) so that the extra funds could be diverted to Singlaub's *contra*-supply network. Further, said Singlaub, he had told North about this scheme in early 1985: "I said, 'Do you think this will work?' and he probably said yeah." In fact it did not work—then. But North worked the same kind of deal on arms sold by the U.S. to Iran a year or so later. Alfonso Robelo, head of a *contra* group based in Costa Rica, told the *Post* that North had arranged for \$100,000 to be paid into the group's bank account.

► Some of the Iranian arms-sales profits may have been diverted to bribes for Iranian officials and outright ransom payments to Lebanese terrorists. The *Washington Times* published a copy of what it said was a letter written to Reagan late last year by Manucher Ghorbanifar, the Iranian expatriate who acted as a middleman in the deals. In it, Ghorbanifar supposedly said he had made "substantial payments" to Ayatollah Hussein Ali Montazeri, a high Iranian official. Expanding on the story, the *New York Times* quoted sources as estimating that Ghorbanifar paid around \$10 million to various Iranians and a group that financed the Lebanese kidnapers of American hostages. Ghorbanifar, contacted by TIME, had "no comment" on the letter to Reagan, but denied he had paid any bribes to Iranians or Lebanese terrorists. Said he: "The thieves in the CIA and their private accomplices are fabricating vicious lies every day to confuse the American people."

Round and round go the revelations, reports, allegations, rumors, until Reagan and his aides must be wondering when and if they will ever stop. The answer probably is: not until the select investigating committees finally lay the whole story bare in public. The President at his long-awaited news conference may have put some of the more obvious questions to rest, less by answering them conclusively than by demonstrating that any further discussion would only spin in repetitious circles. —By George J. Church. Reported by David Beckwith and Hays Gorey/Washington